

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF NorthWestern Energy's) REGULATORY DIVISION
Application for Interim and Final Approval of)
Revised Tariff No. QF-1, Qualifying Facility) DOCKET NO. D2016.5.39
Power Purchase)

NOTICE OF STAFF ACTION

On May 3, 2016, NorthWestern Corporation, doing business as NorthWestern Energy ("NorthWestern") filed an *Application for Approval of Avoided Cost Tariff Schedule QF-1* ("Application") with the Montana Public Service Commission ("Commission"). NorthWestern requests that the Commission approve its new QF-1 tariff on both an interim and final basis. The proposed avoided cost rates would apply to Qualifying Facilities (QFs) with a nameplate capacity of three megawatts or less on May 3, 2016.

"Standard rates" for purchases from QFs are based on NorthWestern's "avoided costs," computed annually, reviewed by the Commission, made available to the public, and "applicable to all contracts with qualifying facilities which do not choose to negotiate a different rate." Mont. Admin. R. 38.5.1901(2)(j) (2016). In its Application, NorthWestern proposes to decrease standard rates.

On May 13, 2016, the Commission issued a *Notice of Application and Intervention Deadline*, setting an intervention deadline of June 10, 2016. On May 17, 2016, NorthWestern filed a *Motion for Emergency Suspension of the QF-1 Tariff for New Solar Qualifying Facilities with Nameplate Capacities Greater than 100 kW*, as well as the supporting affidavit of John B. Bushnell. On May 24, 2016, the Commission issued a *Notice of Emergency Motion and Opportunity to Comment and Request Hearing* ("Notice"). The Notice advised that "[u]pon its own motion or upon request by an interested party, the PSC may hold a hearing on June 9, 2016 at 2:00 p.m. at the PSC's business offices." The Commission issued a *Notice of Staff Action Setting Hearing* which confirmed that a hearing would be held. On June 9, 2016, the Commission held a hearing in this matter.

On June 16, 2016, at a properly noticed work session, the Commission voted to grant NorthWestern's motion and suspend its obligation under QF-1 tariff option 1(a) standard rates for solar projects greater than 100 kW pending issuance of a final order. NorthWestern was explicitly authorized, following issuance of the *Notice of Commission Action*, to execute contracts with solar QFs greater than 100 kW, but no larger than 3 MW, at the standard tariff rate, if prior to the date of the *Notice of Commission Action*, the QF had submitted a signed power purchase agreement and executed an interconnection agreement. The suspension will automatically expire on the service date of the issuance of the Commission's final order in the above entitled docket. The *Notice of Commission Action* stated that a Commission Order would follow.

The proper time for parties to seek reconsideration of the Commission's decision in this matter is subsequent to the issuance of the Commission Order. Pursuant to Mont. Admin R. 38.2.4806, parties will have ten days following the issuance of the Commission's Order regarding NorthWestern's *Motion for Emergency Suspension of the QF-1 Tariff for New Solar Qualifying Facilities with Nameplate Capacities Greater than 100 kW* in which to seek reconsideration.

BY THE MONTANA PUBLIC SERVICE COMMISSION

BRAD JOHNSON, Chairman
TRAVIS KAVULLA, Vice Chairman
KIRK BUSHMAN, Commissioner
ROGER KOOPMAN, Commissioner
BOB LAKE, Commissioner